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Louise Regional Hospital

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

In re

VERITY HEALTH SYSTEM OF  
CALIFORNIA, INC., *et al.*,

Debtors and Debtors in Possession.

- ☐ Affects All Debtors
- ☐ Affects Verity Health System of California, Inc.
- ☒ Affects O'Connor Hospital
- ☒ Affects Saint Louise Regional Hospital
- ☐ Affects St. Francis Medical Center
- ☒ Affects St. Vincent Medical Center
- ☒ Affects Seton Medical Center
- ☐ Affects O'Connor Hospital Foundation
- ☐ Affects Saint Louise Regional Hospital Foundation
- ☐ Affects St. Francis Medical Center of Lynwood Foundation
- ☐ Affects St. Vincent Foundation
- ☐ Affects St. Vincent Dialysis Center, Inc.
- ☐ Affects Seton Medical Center Foundation
- ☐ Affects Verity Business Services
- ☐ Affects Verity Medical Foundation
- ☐ Affects Verity Holdings, LLC
- ☐ Affects De Paul Ventures, LLC
- ☐ Affects De Paul Ventures - San Jose Dialysis, LLC

Lead Case No. 2:18-bk-20151-ER

Jointly administered with:

Case No. 2:18-bk-20162-ER;  
Case No. 2:18-bk-20163-ER;  
Case No. 2:18-bk-20164-ER;  
Case No. 2:18-bk-20165-ER;  
Case No. 2:18-bk-20167-ER;  
Case No. 2:18-bk-20168-ER;  
Case No. 2:18-bk-20169-ER;  
Case No. 2:18-bk-20171-ER;  
Case No. 2:18-bk-20172-ER;  
Case No. 2:18-bk-20173-ER;  
Case No. 2:18-bk-20175-ER;  
Case No. 2:18-bk-20176-ER;  
Case No. 2:18-bk-20178-ER;  
Case No. 2:18-bk-20179-ER;  
Case No. 2:18-bk-20180-ER;  
Case No. 2:18-bk-20181-ER.

Chapter 11 Cases

Adversary No. 20-ap-01575-ER

**JOINT STATUS REPORT RE  
ARBITRATION**

**[Related to Docket No. 32]**

ST. VINCENT MEDICAL CENTER, a  
California nonprofit public benefit corporation,  
SETON MEDICAL CENTER, a California  
nonprofit public benefit corporation,  
O'CONNOR HOSPITAL, a California nonprofit  
public benefit corporation, and SAINT LOUISE  
REGIONAL HOSPITAL, a California nonprofit  
public benefit corporation,

Plaintiffs,

v.

CALIFORNIA PHYSICIANS' SERVICE dba  
BLUE SHIELD OF CALIFORNIA, a California  
nonprofit public benefit corporation,

Defendant.

Present Hearing:

Date: June 14, 2022  
Time: 10:00 a.m.  
Place: Courtroom 1568  
255 East Temple Street  
Los Angeles, CA 90012

St. Vincent Medical Center, Seton Medical Center, O'Connor Hospital and Saint Louise Regional Hospital (collectively "Plaintiffs"), and California Physicians' Service dba Blue Shield of California ("Defendant", and collectively with Plaintiffs, the "Parties," by and through their counsel, herein report as follows:

On December 22, 2020, the Court entered its *Order Approving Stipulation Resolving Defendants' Motion to (1) Dismiss Claims for Turnover, Violation of the Automatic Stay, and Unjust Enrichment; and (2) Compel Arbitration and Stay Adversary Proceeding* [Dkt No. 26] (the "Order").

Through its Order entered January 6, 2022 [Dkt. No. 32], the Court set June 14, 2022 at 10:00 a.m. as the date for a status conference in relation to the Order.

On May 28, 2021, Plaintiffs, through their arbitration counsel, the Law Offices of Stephenson Acquisto & Colman, filed their arbitration demands with the American Arbitration Association pursuant to the terms of the agreements between the Parties and served same on Defendant upon issuance of case numbers by AAA. Pursuant to stipulation between the Parties, the arbitrations were consolidated.

Presently, the primary issue being addressed is whether the Plaintiffs complied with a condition precedent in its contracts with Defendant that they timely submitted initial and final appeals to defendant prior to instituting arbitration, which issue requires the retrieval and review of all available records in relation to the thousands of claims subject to the arbitration. Following an

1 analysis of a sampling of the claims by Plaintiffs' counsel, the Parties are hopeful that the case can  
2 be settled amicably.

3 The next conference with the arbitrator to discuss status of the arbitration is scheduled for  
4 June 24, 2022.

5 The Parties request that that Court set a further Status Conference on a court date at least six  
6 months hence.

7 Dated: June 6, 2022

PACHULSKI STANG ZIEHL & JONES LLP

8  
9 /s/ Steven J. Kahn

10 Steven J. Kahn

11 Gail S. Greenwood

12 Counsel for St. Vincent Medical Center,  
13 Seton Medical Center, O'Connor Hospital,  
14 and Saint Louise Regional Hospital

15 Dated: June 6, 2022

SNELL & WILMER LLP

16 /s/ Michael B. Reynolds

17 Michael B. Reynolds

18 Andrew B. Still

19 Counsel for California Physicians' Service  
20 dba Blue Shield of California  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**10100 Santa Monica Boulevard, 13<sup>th</sup> Floor, Los Angeles, California 90067**

A true and correct copy of the foregoing document entitled (*specify*): **JOINT STATUS REPORT RE ARBITRATION** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **June 6, 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Steven J Kahn** skahn@pszyjw.com
- **Michael B Reynolds** mreynolds@swlaw.com, kcollins@swlaw.com
- **Andrew Still** astill@swlaw.com, kcollins@swlaw.com
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

June 6, 2022  
Date

Mary de Leon  
Printed Name

/s/ Mary de Leon  
Signature